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MARCH 1961

COMMONWEALTH DIGEST

and WORLD ECONOMIC REVIEW



Digest Spotlight

on

The Rt. Hon.
K. J. HOLYOAKE
Prime Minister of New Zealand

Also in this issue:

AID TO THE UNDER-
DEVELOPED

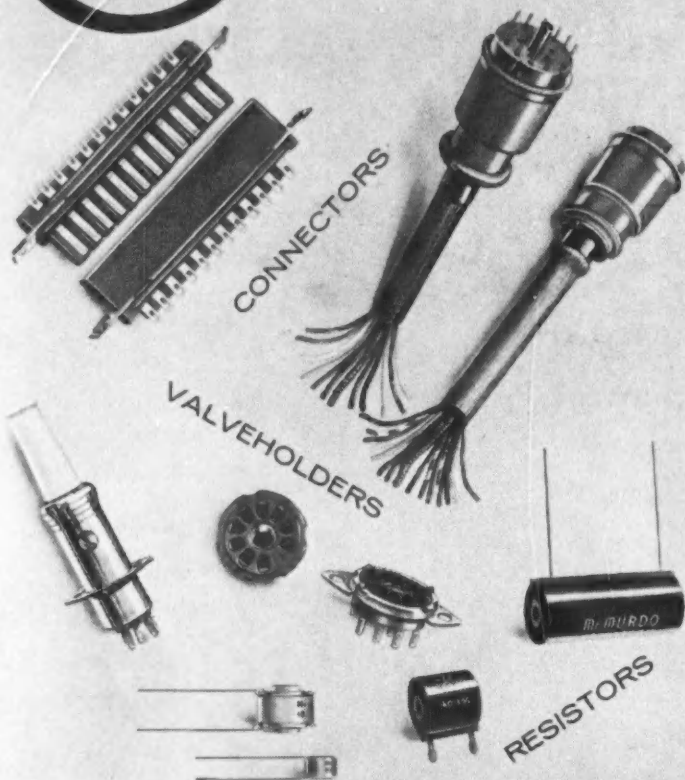
GOLD BLOCS

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COMMONWEALTH DIGEST

and

WORLD ECONOMIC REVIEW

(Founded in 1947 as ECONOMIC DIGEST)

MARCH 1961

VOLUME 2

No. 2

Digest Spotlight focuses on

The Rt. Hon. K. J. HOLYOAKE

Prime Minister of New Zealand

ONCE again Commonwealth Prime Ministers will be meeting in London to discuss matters concerning them, particularly questions of membership and organisation which have arisen from the expanding number of independent Commonwealth States and South Africa's controversial policies. Among the distinguished arrivals during the early part of March will be the recently elected Prime Minister of New Zealand, the Rt. Hon. Keith Jack Holyoake.

Recently commenting on the contribution which the Commonwealth makes to world peace, Mr. Holyoake said "As a bridge between different and differing countries the Commonwealth certainly has many attributes which a divided and distrustful world can envy. Let us hope that something of the spirit of co-operation which permeates our Commonwealth association can be carried across to New York, to help redress the decline in the fortunes of the United Nations."

Born in 1904, Mr. Holyoake has led a varied and very active life.

He left school at the age of 12 to help on the family farm, thus enabling his younger brothers to attend university and training college. His keen interest in the land has remained with him throughout his political life. He was Minister of Agriculture in an earlier Administration and has been a member of the fruit and tobacco growers' and hop marketing organisations, for 18 years a member of the Dominion Executive of the Farmers' Union and for 7 years a Dominion Vice-President. In 1946, he represented New Zealand at the international conference held in London at which the International Federation of Agricultural Producers was established. He was also chairman of the 72-nation conference of the F.A.O. held in 1955 and led the delegation of government and producers' representatives which came to London for talks in 1957.

Mr. Holyoake's political career began in 1931 when he made his first attempt to get into Parliament. He failed on this occasion but a

bye-election in the following year gave him another chance. In 1932 he became New Zealand's youngest M.P. When he lost his seat in 1938 Mr. Holyoake took over a farm in the North Island but after a five-year interval was again elected as Member for Pahiatua, a seat he has held ever since.

By 1947 he had become Deputy Leader of the National Party and in 1949, Deputy Prime Minister, finally succeeding the Rt. Hon. S. G. Holland as Prime Minister when the latter resigned in September, 1957. Mr. Holyoake's tenure of office was short. In the General Election in November of the same year the Labour Party was victorious; Mr. Holyoake became Leader of Her Majesty's Opposition.

On 26th November, 1960, the National Party was again returned to power. There is no doubt that economic and monetary policy were prominent election issues. In *Commonwealth Digest* for January we gave a summary of the financial proposals in the Party's Election Manifesto. These show that the new Government intend to legislate to ensure that the creation and issue

of money can be kept in balanced relationship with the production of goods and services.

The people of New Zealand take a very active and informed interest in economic and monetary questions. A monetary reform party, the controversial Social Credit Political League, now claim to have established themselves as a permanent and important force in New Zealand politics. In the last election they increased their vote in 50 electorates. True, they did not return a single Member, nevertheless, they claim the support of many thousands "who voted to keep labour out."

This presents a formidable challenge to Mr. Holyoake and his Administration, faced as they are by a disturbing drain on the Dominion's overseas reserves. Millions of people outside New Zealand, notably in Britain, will be watching events in that country with sympathetic interest. We, for our part, offer Mr. Holyoake and his colleagues good wishes for success in their endeavours to solve New Zealand's economic problems, many of which are shared by other members of the Commonwealth.

INDIA AND NEW ZEALAND

by G. R. POWLES, (High Commissioner of New Zealand in India).

THE Government and people of New Zealand value highly our past association with your great country and our comradeship with your armed services. We place the highest value upon the multiracial ideals and practices of the Commonwealth. We recognise, respect and support the key position the Republic of India holds in that unique association.

Round the Commonwealth

(1) 'ASSALAMU ALAIKUM NIGERIA'

('PEACE BE UNTO NIGERIA')

by Alhaji Sir AHMADU BELLO, Premier of Northern Nigeria.

LET us first consider the great debt of gratitude which this country owes to Britain. It has now become patently clear that British colonial policy is one of wisdom and foresight. The framers of this policy have for over a century aimed at fostering the growth of vigorous indigenous local government institutions in dependent territories and the training of subject peoples for partnership in a free association of equals. Whatever may have been the fault of this policy it has produced a proud group of sister nations with a system of government which is envied and emulated in the rest of the world. We can never forget the debt we owe to the framers of this policy for their statemanship. We are also grateful to those who carried out the policy.

Independence for Nigeria

Let us now reflect on what it means for Nigeria to be independent. Although independence means freedom, it is not the freedom of the jungle where might is right. We are not free to molest others less strong than ourselves or to trample with their rights simply because we are in a position of authority over them. Independence brings with it heavier and new responsibilities. We are now entitled, over the whole of Nigeria, to make our own decisions, right or wrong, as to how our affairs should be conducted. This is a right which we had always possessed and which we lost only temporarily for a brief period of our history. Both the British Government and ourselves consider it fit now for us to resume this age-old right. We owe it as a duty to ourselves and to the future to prove ourselves worthy of its restoration.

(2) BRITAIN BELIEVES IN AUSTRALIA

ACCORDING to the Minister for Trade, Mr. J. McEwen, the United Kingdom is by far the largest source of new investment in Australia from overseas countries. In 1958-59 the inflow of investment into Aus-

tralian companies from the United Kingdom excluding undistributed income totalled £A35 million.

This was about two-thirds of the annual inflow of such investment from all overseas sources.

From Australian Financial Commerce Newsletter, Australia House, London.

In addition, approximately £A28 million of undistributed income had been ploughed back by these firms during the year.

Mr. McEwen was commenting on the 1960 edition of "British Manufacturers in Australia" which was released by the Industries Division of the Department of Trade.

The publication lists over 450 British firms which have established factories in Australia or have acquired interests in Australian manufacturing firms. The activities of these firms are well dispersed over the economy: 37 per cent are engineering firms, and 17 per cent are supplying processed materials for manufacture. About 46 per cent are engaged in the manufacture of consumer goods, principally motor vehicles, food, clothing and pharmaceutical products.

Mr. McEwen said that the steady flow of British investment into Australian industries had made a very important contribution to the development of our manufacturing capacity.

Confidence

This level of investment clearly pointed to the confidence which the British investor had in Australia and in its future development. The Government was conscious of the fact that the main reason for Australia's high rating with international investors was the continued growth of the domestic market and the general stability of the economy.

"Despite the year by year fluctuations in our position, overseas investors in Australia operate under conditions of security and stability which are the equal of conditions in any other country in the world," said the Minister.

The Government would continue its efforts to attract overseas investment into Australia by pursuing its policy of stabilising the economy and at the same time ensuring a steady rate of growth.

In encouraging investment from overseas, Australia was willingly incurring an increasingly heavy obligation to overseas companies in the form of dividends and royalties. It was reasonable to expect the companies involved to contribute towards earning foreign exchange needed to meet these obligations by pursuing a much more vigorous export policy than in the past.

Mr. McEwen said that many overseas-owned companies were particularly well placed to develop exports. Many of their parent companies had already established a trade in markets close to Australia. They had established agency arrangements, and many more could export from Australia than at present.

Such a policy was essential if these powerful companies were to play their full role in the development of Australia. As well as benefiting their own position on the home market, they would at the same time be making their individual contribution to Australia's balance of payments.

(3) CANADA'S TRADE WITH UK

CANADA'S total exports to the United Kingdom in the first ten months of 1960 amounted to \$764 million, a postwar record, and \$173 million, or 29 per cent, more than in the comparable period of 1957. Canada's purchases from Britain have risen also, amounting to \$483 million in the January to October period of 1960, a gain of \$60 million, or 14 per cent, over the corresponding 1957 total. These increases have resulted in the United Kingdom both taking a larger share of Canada's total exports and supplying a higher proportion of this country's imports. The gain in exports has boosted Canada's favourable commodity trade balance with Britain from about \$169 million for the first ten

months of 1957 to \$281 million for this period in 1960.

The improvement in Canada's trade with the United Kingdom has taken place on a fairly broad front. A comparison of exports in the first ten months of 1957 and of 1960 shows major gains in sales of non-ferrous metals and products, up \$66 million; of wood, wood products and paper, up \$31 million; of agricultural and vegetable products, up \$27 million; and of iron and steel items, up \$26 million; smaller but important increases are indicated for sales of animal and animal products, up \$11 million; chemicals, up \$6 million; textiles and products, up \$3 million, etc.

from Canadian Weekly Bulletin

(4) PAKISTAN'S SECOND FIVE-YEAR PLAN (1960-65)

THE Second Five-Year Plan was approved by the Economic Council of the Government of Pakistan on June 21, 1960. The Council decided that no major departure from the Plan should be made without the approval of the Economic Committee of the Cabinet or in matters of fundamental importance, without the approval of the Economic Council.

Scope of the Plan

During the First Plan period, productive processes of crucial significance were set in motion and development activity attained a

certain momentum. The Second Plan will endeavour to speed up the pace of development and to ensure that the stage of self-generating growth is reached within a measurable period of time. By the end of the Fourth Plan period, it is proposed to double the existing level of national income.

Population; Agriculture

The Second Plan aims at increasing national income by 20 per cent. In view of the anticipated increase in population of about 9 per cent, this will mean an increase of about 10

From 'Economic Digest', Karachi.

per cent in per capita income. The Plan assumes the rate of growth of population as 1.6 per cent at the end of the First Plan and 1.8 per cent at the end of the Second Plan. Some 2.5 million persons are expected to enter the labour market during the period of the Second Plan.

Three dominant strains run through the Plan. First, the stubborn problem of agricultural production—low productivity and the inability of the country to feed itself—is to be attacked vigorously. Foreign exchange expenditure on food imports has averaged Rs. 470 million a year during the First Plan period. Highest priority is, therefore, attached to raising production of food grains to the level of self-sufficiency. An overall increase of 14 per cent in agricultural output is projected.

Industry; Education

Second, industrial development will be accelerated by encouraging private enterprise in all practicable ways and by freeing the economy from direct price, profit, and allocation controls and progressively replacing these by fiscal and monetary measures and the operation of market mechanism. No industries are reserved for the public sector; public investment is provided

only in those activities that are not ordinarily developed with private capital, or where, by present indications, private investment will not be forthcoming. Both indigenous and foreign capital will receive positive encouragement.

Third, education at all levels is to be expanded and advanced as fast as the required institutions and personnel can be provided.

Moreover, improvement in the balance of payments, and acceleration of the rate of economic growth of relatively less developed areas, have also received significant consideration in the Plan.

As regards the size of the Plan, the total cost is estimated at Rs. 19,000 million. Of this amount, Rs. 9,750 million will be in the public sector, Rs. 3,250 million in the semi-public sector, and Rs. 6,000 million in the private sector. The semi-public sector is a new classification and covers corporations and other agencies that are financed by government and private contributions, and that have built-up resources of their own. For example, the Pakistan Industrial Development Corporation, Karachi Electric Supply Corporation, Improvement Trusts, Inland Water Transport Authority, etc.

(5) SOHO ON SEA

"BLIMEY, this won't be all plain sailing!" Thus spoke one of 40 "little brothers" on climbing the gangway to the liner *Fair Sky*, to

be greeted by the lush staterooms of Australia's newest migrant ship. Forty lads, aged 15 to 19, recently sailed for Australia in the hundredth

From News from Melbourne (Victoria Promotion Committee).

party sponsored by the Big Brother movement which provides each boy with an Australian mentor. The Duke of Gloucester saw them off at a farewell party. Since the Big Brother movement was formed in Victoria in 1925, over 4,900 British boys have been helped to settle in Australia, of whom 2,900 have sailed since 1947.

There is indeed no steerage atmosphere about *Fair Sky* (15,000 tons). Formerly the American-built "Woolworth" aircraft carrier- H.M.S. *Attacker*, she was entirely refitted and decorated by her Italian owners in striking contemporary style. "She's as modern as the best Knights-bridge espresso bar," said Sir Norman Roberts, director of Anglo-Australian Navigation. Cooking, like the furnishing, is Italian, equals the best Soho can offer. Accommodation is one class only—first.

She was the first air-conditioned ship on the Australian run.

When *Fair Sky's* master, Captain George Petrescu, rings "full ahead" for Melbourne, a new life begins for the 1,461 migrants on board—younsters bound for their first job in Australia, skilled technicians recruited for the new factories of Victoria, older people joining families who have already made a go of it in their new homes. At 17 knots they steer towards the future, enjoying luxury cruise conditions that guarantee a happy landfall in New Australia. The way Victoria is expanding, *Fair Sky* is going to be fully laden for many future voyages. With her sister ships *Fair Sea* and *Castel Felice*, she maintains a regular service bringing to Australia the men and women who are needed to support the expanding factories of Victoria and her neighbour States.

(6) UNION OF SOUTH AFRICA:

Economic Facts

THE Union's external trade (including gold exports) is worth £1,200,000,000 a year. Of this, trade with the United Kingdom accounts for £280,000,000.

In the free world, the Union is the major producer of gold, platinum, gem diamonds, chrome and antimony; the second biggest producer of manganese and asbestos, and the third biggest of uranium.

Electrical power production in the Union is twice the rest of Africa's put together.

A £270,000,000 expansion pro-

gramme will raise steel output to 4,500,000 tons a year. Already the Union exports iron and steel to leading industrial countries abroad.

The national income per capita of the Union's entire population is by far the highest in Africa.

The public debt of the Union Government (excluding investment in self-supporting Government enterprises) is some 20 per cent of annual national income; and the ratio of the Government's external debt to its total debt is approximately 12 per cent.

Responsibilities of Freedom

by Mr. JULIUS NYERERE, Chief Minister of Tanganyika.

"WHAT is freedom? It is the power that we have to decide what is going to happen in Tanganyika and when it is going to happen and that power we have. All that remains is hard work. We the Government: we also have work to do for Tanganyika. We want to do it well. I hope that hon. Members will not in an emotional impatience unnecessarily deny us the time we need to do the job properly for our people.

We have responsibilities, great responsibilities ahead of us. I have talked about "decolonisation." My hon. colleague the Minister for Finance, when he was making his speech, asked us to re-think. The time has come for us to say what are we going to do for our people? I have said, Sir, I love a fight, but it is no use fighting the wrong enemy or fighting an imaginary enemy. We have a fight ahead of us—a big fight ahead of us—and at this stage it is no use, it is not part of responsibility to spend sleepless nights planning or wondering how we are going to achieve our independence. It is there. We must spend our brains, we must spend sleepless nights to see how we are going to give our people the water they need, to give them the schools they need, how we are going to give the people the health they require. It is easy to go out and talk about Uhuru and arouse people. You cannot annoy anybody if you talk of Uhuru. We have to talk now of the road ahead of us. It is a battle

now against the enemies we believe are the enemies of our people.

*There is nobody now we can blame. We have been trained now to blame and we come here and blame my hon. colleagues. This is a colonial mind. This won't do. From now on you have to blame yourselves and no one else. You have got to ask yourselves exactly how much you personally have helped in the fight against the enemies of the people. Uhuru is there and what I ask, Sir, and what I promise is that this Government is a Government determined to make all the necessary sacrifices to build a Tanganyika that our own people for posterity will thank us for. *We are not going to be frightened by the difficulties. We are not going to be frightened to tell the truth to our people because building a nation is not merely building roads and hospitals and schools, it is building the character of the people and we cannot build the character of our people if we fool them and tell them it is easy. Because it is not easy; life is not easy, and we as their leaders must not come here and give the impression that it is easy. If we give the impression that it is easy, how are our people going to react? We know the facts. I know the facts, and the function of leadership is as my hon. colleague the Minister for Finance said, the function of leadership is to lead and if necessary to tell the bitter truth.**

From a speech in the first meeting of the Tanganyika Legislative Council after the introduction of Responsible Government.

Aid to the Under-Developed

SOME serious re-thinking is vitally necessary in the whole field of foreign investment if the free world is to capture and hold the minds of the millions of people in the under-developed areas of the world. The disparity between standards of living in the highly industrialised countries of the west and the backward areas is so great, it is hardly surprising if the latter fall victims to policies which can only play into the hands of the Communists. As the 'Observer' recently showed, the extreme poverty which afflicts the population of India with an average yearly income of only £21 per head, compared with £668 in the United States and £278 in Britain is something which we cannot continue to accept with equanimity. At present the gap is tending to widen in spite of all that is being done to help.

The impatience and feeling of frustration in under-developed countries like India, who are striving to raise the deplorably low living standards of their people can well be understood when they see references to the under-use of resources in the developed countries. Sir Roy Harrod, in an article recently published in the 'Financial Times' estimated that restrictive policies in Britain had lost us some £2,000m worth of goods and services in the period from 1955-60. "Imagine what could have been done with them," wrote Sir Roy, "to raise living standards, to increase investments, and

to help the under-developed countries." This under-use of resources applies to many of the developed areas of the world at the present time.

Wider understanding

In December last a three-day conference of business men was held in Karachi under the auspices of the Commission on Asian and Far Eastern Affairs of the International Chamber of Commerce. The theme of the conference was "Development through wider economic understanding of foreign investments." One of the major questions which arose was the treatment meted out by governments in the developing countries to investors in the private sector who have provided capital to needy countries. The fate which has overtaken British property in Egypt, Dutch assets in Indonesia, Belgian investments in the Congo, to say nothing of American experience in Cuba are scarcely likely to encourage the private investor to put capital into countries where there is uncertainty as to future governmental policies.

As a result, private investment has naturally tended to flow to the more stable and advanced countries like Canada and Australia. To obviate this difficulty, a proposal has been made for an international guarantee system to give the investor providing capital to needy countries some protection against the consequences of

from Commonwealth Industries Association Monthly Bulletin

political action which jeopardises their interests. A code of good-behaviour in relation to foreign investment, if widely accepted, would give greater incentive to the private investor to provide some of the additional capital necessary for development.

This is good, as far as it goes, but even if such a plan were universally accepted, there would still be many hindrances to the provision of sufficient capital to begin to make an appreciable impact on the position. We have only to look back in our own history to see that there were many snags to foreign investments long before the threat of nationalisation of assets by foreign governments reared its ugly head. In the 19th century British investors provided millions of pounds towards the development of such things as railways, harbours, roads and similar projects in foreign countries. Far from yielding a good profit to the investor, they were lucky if they retained their capital intact. The Stock Exchange official list for May, 1935, quoted 243 loans made to foreign governments and of these only 96 were then worth half their nominal value, while 90 of them were worth less than one-fifth. And these were loans to governments!

Repayment

The trouble was, and still is, that loans have to be repaid, usually with interest, and this means that if the creditor country is to be repaid it must accept payment from

the debtor country in terms of an increase of imports. Creditor countries, if they are to enable debtor countries to pay their way must be prepared to accept what is known as an unfavourable trade balance. Under our present system, unless the lending nation is prepared to accept an increase of imports over exports, the only answer in the long term is for the debtor nation to default. In practice, the only course open to it if it wants to pay its way is to have recourse to further borrowing, thus sinking deeper into unpayable debt. Hence the very real fear on the part of the needy countries that help from the west may finally lead to economic domination.

A New Approach

Some recognition of this difficulty has now been given by the International Development Association. This body has powers to accept payment of debt in the local currencies of the debtor country. It is along these lines we must be prepared to move if we are to overcome the problem. The total capital of the I.D.A. is \$1,000 million and of this about one quarter is capital contributed by the under-developed countries themselves. So, while this is a step in the right direction, it cannot be claimed that it will solve the problem.

If we are to find a solution we must first create an economic climate in the developed countries which encourages to the full a realistic rate of economic growth, based on our capacity to produce. The case

for this was argued in an article in the October issue under the title 'Wanted—A Regulator.' This would provide the base on which the amount of assistance to needy countries could be increased.

The second need is for some way of allowing a proportion of our increasing wealth to flow into the under-developed areas without putting them in a position of incurring unpayable debts. It is not sufficient for Britain and other developed countries to provide capital for investment and to leave the matter there. It is equally important that we ensure that when development has taken place the country concerned can find markets for its produce. The value of the British market to the emergent nations has been great, but we have not done nearly enough to make sure that as and when more wealth is available, it can find buyers able to take it. This problem can become unmanageable unless we take urgent steps to deal with it.

For Britain and the Commonwealth this means that we must re-assert our right to discriminate in trade. The rigid policy of non-discrimination which we have accepted has resulted in our importing a great many things we could quite well do without when our overriding need is for imports of raw materials and food-stuffs. Our overseas investment policy should be largely concentrated on helping those nations of the Commonwealth who are the natural suppliers of these products. We must also recognise

the increasing capacity of our Commonwealth partners to manufacture consumer goods and we must be ready to give them preferential treatment in our own markets for such products. As their ability to produce increases, they in turn will be larger consumers of our products and in particular the more complicated kind of capital equipment which we can supply and which they so badly need.

Reciprocal Trade

To the extent that creditor countries can take increased imports, no difficulty arises. As things stand in the world today this is not always possible. To meet the problem which arises something further is necessary. Under pressure of war, the United States and Britain solved the problem of making available what they had to assist each other in the common effort by the operation of 'Mutual Aid.' In President Roosevelt's own words, it "cut out the dollar sign and removed the financial nonsense." The task which confronts the free world today requires similar imaginative thinking. If international action along these lines proves impossible, then let us at least make a start by introducing a Commonwealth Mutual Aid programme.

Let us be quite clear on the issues involved in the matter of foreign investment. If we are to invest in the under developed countries, this means going without ourselves to make the capital available where it is required. If we go without our-

selves to provide investment overseas, we are fully entitled to ask the country accepting our aid to meet its commitments by repaying the loan with interest in due course. What we are not entitled to do is to say—you must pay us, but at the same time refuse to accept payment by taking an increased volume of goods and services from the debtor country to enable them to pay their way.

In the final analysis, nations can only pay for the goods and services they import by selling exports to the same value. If they fail to do this, they get into debt and balance of payments problems immediately

arise. It was the late Lord Keynes who rightly pointed out that in our approach to international trade we must not only bring pressure to bear on the debtor nation to pay its way, but equal pressure should be brought to bear on the creditor nation to accept payment.

Failure to tackle this problem on these realistic lines will increase the feeling of resentment and frustration which already exists in the under developed countries. This will play into the hands of the Communist powers who have already shown quite clearly that they have every intention of using this as a potent weapon in the cold war.

Hopeful Ulster

THE expectation of life of Northern Ireland children has increased since the beginning of the century by twenty-five years for girls (71.8 years compared with 46.7 in 1902) and by twenty years for boys (67.4 against 47.1). This is disclosed in a report by the Registrar General for the year 1959.

U.K.'s Highest Birth Rate

Ulster's birth rate of 21.9 per thousand is the highest in the British Isles. The rate for England and Wales was 16.5 per thousand, for Scotland 19.1 and for the Irish Republic 21.1. Births in Ulster were more than twice the number of deaths.

Ulster's death rate at 10.9 per thousand was also the lowest in the British Isles. The rate for England and Wales was 11.6, for Scotland 12.1 and for the Irish Republic 12.0.

Better Health

Remarkable improvements in the health of the community are recorded. For instance, the tuberculosis rate of 0.1 per thousand was the lowest ever recorded. Deaths from tuberculosis numbered 143 compared with 798 ten years previously. Death rate from cancer in Northern Ireland was also the lowest in the British Isles. Infant and maternal mortality were the lowest ever recorded.

Gold Blocs

THE United States now holds almost 45 per cent of the Free World's monetary gold stock—approximately the same proportion as in the late 1920's. In 1949, when the U.S. stock was at its peak, the figure was 70 per cent—a clearly excessive share. The wheel has thus turned full circle.

It is not so much the fact that our gold stock today is no more than \$17 or 18 billion that is a matter of concern. It is the rate of loss that causes apprehension. There has been however, no run on the U.S. stock in the sense of wholesale conversions of dollar holdings into gold. In fact, foreign holdings of dollars continued to increase last year.

Monetary Sputnik ?

Russia attaches vital importance to gold. It is outranked only by South Africa as a gold producer. It sells some of its gold against sterling and other currencies and has an accumulated stock estimated by Western observers at somewhere between \$4 and 8 billion.

Russian monetary theory adheres to the traditional view that gold is the foundation of currency. The ruble has a legally prescribed gold content and Russia's central bank is required to cover its note issue with a 25 per cent gold backing. This, it is thought, makes Russian currency "tokens of gold." Karl Marx said in *Das Kapital* that "only in so far as paper money represents gold, which like all other com-

modities has value, is it a symbol of value."

But Russia's attitude towards gold has not always been true to this classical concept. Lenin wrote in 1921 that "when we conquer on a world scale, I think we shall use gold for the purpose of building public lavatories in the streets of several of the large cities of the world." So long as capitalism remained strong, however, Lenin regarded gold as an indispensable weapon in Russia's hands: "We must save the gold . . . , sell it at the highest price, buy goods with it at the lowest price." High-ranking Russians have repeatedly advocated a rise in what they call the "artificially low price of gold" imposed by the United States.

Ruble Devaluation

The Russian ruble has suffered a number of devaluations under the Soviets, typically involving some degree of confiscation of the fruits of saving. Against this background, Russia's announcement last November that the ruble, beginning January 1, would be "worth" more than the dollar stirred some wonder. What is to be done, from January through March 1961, is to convert old rubles, nominally worth 25 cents, into "heavy" rubles at a rate of ten to one; at the same time, a zero will be removed from all prices, wages and values. The new heavy ruble becomes equal to \$1.11 in U.S. money.

From First National City Bank.

The operation glosses over the fact that the old ruble is devalued from 25 cents to 11 cents, or by 56 per cent. In the absence of any tinkering, the new ruble—replacing as it does ten rubles “worth” 25 cents each—should be “worth” \$2.50. Instead it is put at \$1.11.

The 25 cent ruble was—it is generally agreed—grossly overvalued; Russia itself recognized the fact when it established in 1957 a special tourist rate of 10 cents to the ruble. The currency reform puts Russian domestic prices more in line with prices abroad. This will simplify comparisons of relative costs of exports and imports of various goods and make for easier calculation of the profitability and economic advantage derived from foreign trade. It reduces the need to subsidize exports and thus makes Russia less exposed to charges of “dumping.”

Freedom for Money

The question remains as to whether nations receiving Soviet credits, and trading with Russia, might be pressed to accept the ruble as a currency in which they would conduct trade and keep monetary reserves—as they do in dollars and sterling.

To accept ruble credits is one thing; to keep funds in rubles by free choice is another. Money in Moscow is blocked money, subject to the strictest exchange control in the world and usable only at the pleasure of the authorities. Money in New York is freely spendable or lendable, practically anywhere, for citizen and for foreigner alike. So long as we maintain this condition, keep our prices stable, and preserve equivalence of the dollar to gold, the ruble can never offer a serious challenge.

Not enough Gold

Like the Russians, we cannot do business in gold alone. There is not enough of it. And in any case the metal cannot compete with credit for convenience in effecting payments. Trade and prosperity cannot survive without credit, without trust in performance upon promise. The present gold problem thus reduces itself to keeping trust in dollars—by repressing inflationary tendencies as they arise and dealing with the balance-of-payments deficit through means that preserve and protect the freedom of people to use their dollars as they think best.

Reader's Commentary

Sir,
THE comments of Mr. Eric de Maré in your last issue on our absurd monetary policy should voice the opinions of intelligent students of the country's monetary system. For instance, an architect must often be frustrated by the devastating

effect of a change in the Bank Rate upon the financing of new buildings and upon the relation between the rents of housing and the interest on the capital involved in its building.

C. PUGHE-MORGAN,
Ticehurst, Sussex.

How Much Gold in 1960?

(Estimate in Millions of Dollars)

Union of South Africa	\$ 750
Canada	160
United States	58
Australia	38
Ghana	32
Southern Rhodesia	20
Colombia	15
Philippines	14
Republic of the Congo	13
Japan	11
Mexico	11
All Others*	58
Total*	\$1,180

*Excluding USSR, Mainland China, and countries in their orbit.

Estimated Sources and Uses of Gold

(In Millions of Dollars),

	Gold Production*	Reported Sales by USSR	Increase in Official Stocks*	Industrial Uses and Additions to Private Holdings†
1951	826	—	210	616
1952	850	—	250	600
1953	848	75	470	453
1954	897	75	650	322
1955	940	75	680	335
1956	978	150	480	648
1957	1,017	260	720	557
1958	1,049	220	665	604
1959	1,125	250	680	695
1960	1,180	n.a.	520‡	n.a.

*Excluding USSR, etc. †Residual figures. ‡Jan-Sept. n.a.—not available.

Source: Derived largely from *International Financial Statistics*, except gold production for 1960, which is a tentative estimate based on incomplete data.

From First National City Bank.

America and Africa

by DOUGLAS DILLION, US Assistant Secretary of State for Economic Affairs (now Secretary of the US Treasury).

'WE must intensify our efforts to assist the free nations in the vast underdeveloped areas of Asia, Africa, the Middle East, and Latin America. For these nations must share in the material progress of the rest of the free world if they are to remain independent.

'The leaders of the less developed nations are making valiant efforts to raise their people's standards of living. But in many cases their economies are primitive. They lack human skills as well as financial and technical resources. And they are

beset with exploding populations which require large additional resources to maintain even present living standards . . .

'If the newly developing countries dissolve in chaos or succumb to Communism and lose their independence, then our own way of life will not long endure. We cannot stand alone in a world turned hostile. Unless we help the world's underprivileged to realize their mounting expectations for a better life under free institutions, we surely invite our own downfall.'

Europe and Africa

by JACQUES SOUSTELLE.

AS a specialist of Africa rather than European matters, I have been led to think that the need for a strongly organised Europe is all the greater for the new developments which are taking place in Africa.

New independent countries are emerging year after year, with their problems and their own, sometimes conflicting, interests. They are members of the United Nations. The economic structure of the African continent is undergoing changes as well as its political organisation: Besides, part of the all-important area of the Maghreb is submitted to the impact of the Algerian conflict between East and West.

It is quite clear that if Europe as a whole proves unable to cope with such a maze of difficult and inter-related problems, then we will find ourselves cut off from the Continent of Africa both physically and morally, with consequences, economic or political, which might well endanger our very existence. It is of vital importance to all of us not to become separated from Northern Africa—an area which in fact belongs to the Mediterranean cultural zone much more than to the African.

From a geopolitical as well as from an economic stand-point Africa from Algiers to Lake Tchad and the Congo is part of the same

From European-Atlantic Review.

segment of the world surface as Western Europe, and the mutual interests of both continents demand that cultural and technical links be maintained and reinforced throughout that whole Eurafrikan space.

Europe as a whole would be in a better position than individual nations to offer new opportunities to Africa, and to prevent vast areas of that key continent from falling under Communist influence.

From that point of view the division of Europe between the Common Market and the Seven is greatly to be regretted. Africans can hardly be expected to take us seriously if we appear unable to organise our own area. We have to find some way, however empirical or defective at first, of making those two zones work together in order to avoid cutting Europe in two.

Big Increase in Soviet Imports

From an article by G. Rubinstein, in the newspaper *Ekonomicheskaya Gazeta*.

THE Soviet Union and other socialist states, which conduct trade on the basis of equality and mutual respect for sovereignty, are becoming major buyers of goods exported from Asia, Africa and Latin America.

It should be pointed out that the socialist countries, which are not affected by crises, also make large purchases in the underdeveloped countries in those periods when western powers curtail their imports owing to economic slumps, as was the case, for instance, in 1957-58. The purchases of the socialist states therefore ensure that underdeveloped countries have a stable market, with new funds for paying for the machines and materials acquired for building their national economy.

Cuban Sugar

Our operations in purchasing Cuban sugar can serve as a striking example. It is generally known that

the American monopolies counted on bringing revolutionary Cuba to her knees by sharply curtailing purchases of sugar from her in 1960. The U.S.S.R. bought a large quantity of the sugar, thus preventing many difficulties for the Cuban economy.

Our imports from industrially developed capitalist countries are also increasing. In particular, Soviet imports from Britain increased from 284 million roubles in 1955 to 363 million roubles in 1959; from Italy—from 65 to 211 million roubles; from France—from 144 to 402 million roubles; and from the Federal Republic of Germany—from 95 to 480 million roubles. Since 1958 Soviet imports from Japan have rapidly increased.

We could purchase more in these countries if certain governments did not set up artificial trade barriers, mainly under pressure from the United States.

From Soviet News.

Polish Prices

by HENRYK FISZEL

ACCORDING to Marxist methodology, social production is divided into two sectors: production of the means of production (capital goods, raw materials, etc.) and of consumer goods. That division is reflected both in the theory and the practice of price policy under the Socialist system.

Those consumer goods which are earmarked for the market in the full sense of the term (where the consumer has freedom of choice) must have balanced prices. Any infringement of this cardinal law of supply and demand inevitably leads to disturbances on the market.

If, for a given price, supply does not cover demand the production apparatus must be expanded, and if that cannot be done within a short period, prices must be changed. Although such changes are not desirable, they are unavoidable from the point of view of the market equilibrium.

Consumer Goods

The prices of consumer goods are also an instrument for state enforcement of a number of social preferences, among others in the division of the national income between the various social strata. By means of these prices the state also acquires the basic supply of financial means earmarked for accumulation, investment and other general needs. In this way, the final

price which takes into consideration all the factors specified above usually deviates from production costs, the degree of this deviation varying for different goods.

Means of Production

The situation is different when it comes to the market for the means of production. It should be called a quasi-market because of the limitations on the choice of buyers. The main body of the means of production circulates within the socialized sector, part of it reaching the buyers in the form of allotments. Consequently these prices are based on production costs. It is still a controversial issue whether such prices should be based on average or on marginal costs, but the principle remains unchallenged. According to this:

- 1) costs are the starting point for fixing a given price.
- 2) relations between prices should be in conformity with relations between costs.

Such a relation ensures the planning authorities, at all levels, the most correct criterion for choice, since it corresponds to relations between outlays of labour in the production of various goods.

This principle does not exclude occasional approved deviations from costs, deviations that take into account the preferences of the state in the national use of the production

From Polish Perspectives.

apparatus and other resources at its disposal. In particular, these prices must consider the rarity of certain raw materials and the conditions of their substitution. In this way prices may guide enterprises by underlining the relative importance of economizing various factors and the conditions of choice between them.

The state does not expect to accumulate capital from the prices of the means of production. Accumulation takes place when it comes to the final product, especially in the consumer market.

Factors

A correct price system depends not only on the correct criteria for price fixing, but also, and, perhaps primarily, on the economic situation of the country.

There are two factors which guarantee a correct price system:

- 1) equilibrium in the market of consumer goods,
- 2) a correct wages policy.

Both these factors are closely interconnected and react upon one another. Thus, a lack of equilibrium in the market inevitably entails a rise in the prices of goods sold to the population, which in turn results in a rise of wages and of production costs. Further, rises in wages which are not justified by the economic progress achieved cause a disturbance of equilibrium in the market, together with the consequences described above. Since the prices of the means of production do not follow every change in production costs a situation develops in which

prices lose contact with their base, lag behind actual conditions and cease to be a criterion of economic decision.

The development of gaps between prices and production costs in our economy in the past was particularly noticeable in the case of coal; for instance in 1951 the price covered 88 per cent of costs while in 1959 it was only 55 per cent.

It is known that in the mining industry wages play a dominant role in the structure of production costs. That is why rises in wages in the past made the price of coal lag behind production costs.

A similar situation, although not so drastic, was noticeable in other industries.

Reform

The changes in the prices of the means of production, effected on July 1, 1960, ensure, or at least should ensure, a stable price system for the period of the next Five Year Plan.

This reform was carried out under more favourable conditions than before, at a time of general economic stabilization reflected in a market equilibrium and in a wages policy that prevents inflation, in spite of rapid economic development.

In other words, the stability of the entire price system is guaranteed by the maintenance of the purchasing power of the *zloty* at an unchanged level. Yet controversies between economists as to the principle of price fixing are expected to continue for a long time to come. Much time will certainly elapse before the principles

which today do not raise any theoretical doubts (interest on capital, application of ground rent, etc.) can be put into practice. Nevertheless one may claim that the present price system is gradually becoming better adjusted to the needs of the national economy.

Britain's Trade with Poland

(Ten months ended 31st October, 1960)

U.K. Exports to Poland

	£
Textile machinery	1,818,196
Other non-electric machinery	2,558,398
Chemicals	1,232,576
Miscellaneous textile and fibres and waste	1,103,746
Postal packages	1,176,110
Wool and other animal hair and tops	892,545
Iron and Steel	877,690
Electric machinery, apparatus and appliances	832,759
Copper and copper alloys	790,874
Rubber Manufactures	112,046
Other exports	979,350
Total U.K. Exports	12,374,290

U.K. Imports from Poland

Meat and meat preparations	12,291,975
Butter	4,782,456
Other dairy products	1,029,488
Coniferous sawn and softwood, planed or dressed	3,212,478
Other wood and cork	569,309
Starch and preparations therefrom	560,208
Other Chemicals	930,997
Fruits and vegetables	685,531
Sugar and sugar preparations	653,386
Iron and steel	496,822
Zinc and zinc alloys	351,787
Other non-ferrous base metals	164,362
Wood and cork manufactures (excluding furniture)	405,512
Other imports	2,969,916
Total U.K. Imports	29,104,227

From The British Council for the Promotion of International Trade

Rural Economy

CONSERVING BRITAIN'S WATER

National Farmers' Unions' recommendations

AN Enabling Bill should be introduced to give effect by stages and on a selective basis under delegated legislation to what at the moment is a largely academic responsibility of River boards under Section 9 of the River Boards Act, 1948, to conserve water in their areas.

Under the Enabling Act, the responsible Minister would oblige all river boards, in conjunction with the Surface Water Survey Department of the Ministry of Housing, and if necessary with the aid of statutory water undertakers, to prepare a Hydrological Survey and Conservation Programme (HS and CP).

The composition of the river board working parties responsible for the preparation of these Surveys and Conservation Programmes might well be determined by or subject to the approval of the Minister in the light of the particular circumstances of a river board, but it would be technical in character rather than representational.

Where a Hydrological Survey has already been carried out, e.g. in the Great Ouse and River Severn Catchment Areas, the Minister should require a re-assessment of the facts in the light of the need to prepare a positive Conservation Programme.

The HS and CP would be published, open to inspection, public

inquiry and objection and subsequent confirmation, with or without modification, by the Minister in the form of an Order under the Enabling Act.

The Order would:—

- (i) *give effect to the Conservation Programme as confirmed;*
- (ii) *place upon the river board concerned the responsibility for carrying out the Programme;*
- (iii) *enlarge the scope, powers and membership of river boards in the light of the HS and CP;*
- (iv) *provide for the Conservation Programme to be modified in the light of changed conditions, e.g. unexpected new and major demands, over a period of fifteen to twenty years;*
- (v) *amalgamate or alter the boundaries of river boards in the light of the HS and CP proposals;*
- (vi) *designate the reconstituted river boards as River Conservancies or Conservation Authorities, to distinguish them from orthodox river boards in those areas where no approved Conservation Programme has been promoted and confirmed;*
- (vii) *possibly provide for the appointment of a statutory advisory Committee of water engineers*

From The British Farmer

on which Ministry of Agriculture and Housing officials might serve, possibly in conjunction with engineers from

the major water authorities, to advise on the execution by the river conservancy of the Conservation Programme.

Europe-Commonwealth Space Club

by G. V. E. THOMPSON.

ANY Satellite Club that is established will have an excellent opportunity for showing that men of various nations can work together for the common good without following the example of Babel. There are, of course, a number of other projects where this type of co-operation is already proving fruitful—we need only mention OEEC, the Common Market and the Free Trade Area.

Just because of the international nature of the proposed Space Club, we consider it important that its *ultimate* objectives should include manned spaceflight. Emphasis is placed on this being an ultimate, rather than immediate, objective, for even were the money available to finance the development of a manned spacecraft, it is obviously desirable to begin by developing simpler vehicles. However, it should be frankly recognized from the start that although the Club's initial purpose would be to launch satellites, its range of activities would undoubtedly increase with the passing years. It would not be a very expensive matter to have a small team working from the very beginning on a pre-

liminary design study for a manned vehicle—not necessarily an advanced spaceship: an antipodal rocket transport, perhaps.

These questions and others of equal importance will be considered much more fully both at government level and publicly in the discussions at the European Symposium on Space Technology which this Society is organizing in June. We trust that by the time the Symposium is held the Space Club will be in existence, and we hope that the Government will show a greater sense of urgency in this matter. There is no reason for them to think that a decision to undertake satellite research would be highly unpopular—if anything the electorate is more favourable to the idea than is the government. The resolution passed at the recent Conservative Party Conference provides some evidence of this. The Labour Party is unlikely to take a markedly different view. After all, turning Blue Streaks into satellite launchers can be considered the modern equivalent of turning swords into ploughshares.

From the Journal of the British Interplanetary Society.

India's Mineral Resources

INDIA'S deposits of iron ore are the best of their kind and the largest as compared to those of any other country in the world, according to the Federation of Indian Chambers of Commerce and Industry. In a recent publication, the Federation assesses India's iron ore deposits at 21,000,000,000 tons, about one fourth of the total world resources. Large deposits of hematite ores are known in Bihar, Orissa, Madhya Pradesh, Mysore and Maharashtra while magnetite ores occur in Madras, Mysore, Orissa and Himachal Pradesh. Extensive resources of limonite ores associated with the spathic ores are present in West Bengal. The proved and indicated reserves of all types of iron ores amount to about 6,800,000,000 tons.

Coal

India's coal deposits are also large and they occur very near iron ore deposits. The reserves of all types of coal occurring in seams of one foot or more in thickness within a depth of 1,000 ft. are estimated at 60,000,000,000 tons. Lignite occur in Madras, Rajasthan, Gujerat, Kutch and Kashmir. Of these, the deposits covering an area of 100 sq. miles in and around Neyveli in the South Arcot district of Madras State are estimated at 2,000,000,000 tons.

A preliminary geological survey of the Tekadi-Sillewara area around Kamptee in Maharashtra State has

indicated an estimated 300,000,000 tons of coal deposits, half of it being first grade coal, according to information given in the provincial legislature by the State's Industries Minister.

In respect of bauxite too, the deposits are as good and as extensive as of iron ore. The chief areas are Bihar, Bombay, Jammu, Madhya Pradesh and Madras, which together hold reserves of about 250,000,000 tons. According to a recent estimate high grade bauxite reserves are placed at 28,000,000 tons, of which roughly one-third is in Bihar.

The country's reserves of chromite have been estimated at 1,320,000 tons—mainly in Bihar, Orissa and Mysore. Occurrences of magnesite have been reported from a number of places and total reserves have been estimated at 100,000,000 tons. Fire clays occur in almost all States. The large deposits of kyanite in the world occur in Bihar. Deposits of sillimanite and corundum are also found in many places. Workable deposits of ilmenite occur in the beach sands of the eastern and western coasts of India, those on the Kerala coast being known for their extensive occurrence. Reserves of ilmenite in beach sands have been reckoned at 350,000,000 tons. India's reserves of gypsum—found in Bombay, Madras, Rajasthan and Jammu and Kashmir—are now placed at 163,000,000 tons.

From The Mining Journal.

A Leading Exporter

India is a leading exporter of manganese ore, mica and shellac. In the case of manganese ore deposits she ranks third in the world. Out of a total estimated reserve of 112,000,000 tons, about 100,000,000 tons are in Madhya Pradesh and Maharashtra.

Mica is available in three mica belts of about 1,500 sq. miles in Bihar, 1,200 sq. miles in Rajasthan and 600 sq. miles in Andhra Pradesh. Quality mica—perhaps the best in the world—comes from Bihar. Recent investigations have proved substantial deposits in Rajasthan.

Recent explorations also indicate extensive reserves of oil in the country. A tentative estimate places the potential oil bearing areas at 400,000 sq. miles.

Provision has been made for the expansion of the Geological Survey of India and the Indian Bureau of Mines in order to intensify the surveys for mineral resources and step up prospecting of those deposits which are to be developed in the public sector.

Iron and Magnanese in Mysore

The investigations so far conducted in Mysore State indicate that an additional deposit of 100,000,000 tons of iron ore is available there. The State has reserved 4,000 sq. miles of area for exploiting iron and manganese.

The Mysore Government has also decided to mine 20,000 tons of manganese in Kumsi area and 50,000 tons of iron ore in Sunkadakatte area both in South Kanara district. In this region, it is estimated that 3,000,000 to 5,000,000 tons of iron ore of about 60 per cent grade will be available. Through the Gangully port near Kundapur, it is planned to export 10,000 tons of manganese and 20,000 tons of iron ore. From Apsarakonda (North Kanara), and Biscode and Kalche areas in Yellapur Taluk, it is planned to ship 60,000 tons of iron ore. The ore here is of 63 per cent grade. A scheme costing Rs. 42,700,000 has been drawn up to lay out roads for carrying the ores from mine-heads to ports. By the end of May, 1961, Mysore plans to export through the ports of Karwar and Mangalore, 130,000 tons of iron ore and 40,000 tons of manganese ore.

The Way The Money Goes Down

ANNUAL RATE OF DEPRECIATION OF MONEY

Portugal	0.5%
Switzerland	1.1%
Germany	1.2%
Ecuador	1.5%
U.S.A.	2.0%
United Kingdom	4.1%
France	6.0%

From First National City Bank of New York.

White and Black in U.S.A.

AVERAGE WAGE AND SALARY INCOMES, 1939-58

Year	Male		Female		Non-white as per cent of white	
	White	Non- white	White	Non- white	Male	Fe- male
<hr/>						
All persons with wage or salary income:	\$	\$	\$	\$		
1939	1,112	460	676	246	41.4	36.4
1947	2,357	1,279	1,269	432	54.3	34.0
1957	4,396	2,436	2,240	1,019	55.4	45.5
1958	4,569	2,652	2,364	1,055	58.0	44.6
<hr/>						
Year-round full-time workers with wage or salary income:	\$	\$	\$	\$		
1939	1,419	639	863	327	45.0	37.9
1957	4,950	3,137	3,107	1,866	63.4	60.1
1958	5,186	3,368	3,225	1,988	64.9	61.6

From U.S. Department of Commerce, Bureau of the Census.

United Europe ?

EFTA

- 1 United Kingdom
- 2 Denmark
- 3 Norway
- 4 Sweden
- 5 Switzerland
- 6 Austria
- 7 Portugal

Population: 88 million.

National Income:

£329 a year per head

Steel production:

28 million tons a year

EEC

- 1 France
- 2 Belgium
- 3 Holland
- 4 Luxembourg
- 5 Western Germany
- 6 Italy

Population: 166 million

National Income:

£232 a year per head:

Steel production:

55 million tons a year

Digest Reviews

NEW LOOKS AND THOUGHTS

Partners in Adventure: A new Look at the Commonwealth Today, by Derek Ingram. Pan Books. 2s.

The Changing Commonwealth. Smuts Memorial Lecture, by Rt. Hon. R. G. Menzies, C.H., Q.C., M.P. Cambridge University Press. 3s. 6d.

Brightly written and very cheap at the price, Mr. Derek Ingram's is a well-balanced and imaginative essay on the "Expanding Commonwealth" theme, full of sensible suggestions for the future of our world-wide family.

In his foreword to *Partners in Adventure*, Mr. Menzies echoes Mr. Ingram's remarks on the terrifying, dangerous ignorance of so many Commonwealth citizens of the unique multi-racial society to which they belong. This little book should help to enlighten them. One criticism we have of Mr. Ingram's judgment: he is unduly harsh on Sir Roy Welensky.

Sir Roy may prove a Commonwealth statesman of Smuts or Menzies steel. In this Smuts Memorial Lecture, Mr. Menzies shows himself as profound a thinker as he is a fine orator and consummate politician.

Both essay and lecture were prepared under the shock of Sharpeville. The Australian Prime Minister gives wise warning in his lecture of the danger of the mutual invasion

of sovereignty within the Commonwealth.

DESERT PALADIN

War in the Desert: An R.A.F. Frontier Campaign, by Lieutenant General Sir John Bagot Glubb, K.C.B., C.M.G., D.S.O., O.B.E., M.C. Hodder & Stoughton. 25s.

With his usual charity, chivalry and simplicity, General Glubb gives us a vivid and enjoyable account of the pacification of an Arab frontier when Britain was making her settlement of the Middle East after the Great War which destroyed the Ottoman Empire. In so doing he has much of interest to tell us of the Bedouin, "warts and all."

GOLD—NOT GOODS !

What You Should Know About Inflation, by Henry Hazlitt. Van Nostrand. 26s. 6d.

"Inflation, always and everywhere, is primarily caused by an increase in the supply of money and credit." Thus, the author of this book who is well-known as a newspaper columnist, defines the root cause of inflation. He considers that the action of the monetary authorities in increasing the supply of money without regard to any proper regulating mechanism are responsible for inflation whenever and wherever it occurs. When he comes to remedying the situation he has nothing better to offer than a return to the gold standard ! He recommends that the U.S.

Federal Reserve Banks should restore the legal reserve requirements from the present 25 per cent to 40 per cent gold backing, though he considers the present price of gold as unrealistic. He suggests that if \$35 was the right price for gold in 1939-40, its present price should be about \$82.

The views of American economists like the late Dr. Slichter of Harvard and Dean Upgren who advocated the relating of money to goods and services are dismissed as hazy and unrealistic.

UNA SANCTA

The Riddle of Roman Catholicism: Its History, Its Beliefs, Its Future, by Jaroslav Pelikan. Hodder & Stoughton. 16s.

This admirable and truly eirenic book appears in good timing with the Archbishop of Canterbury's courageous and charitable pilgrimage.

No Catholic can take offence at the criticisms of a Lutheran Scholar who is Professor of Historical Theology in the Federated Theological Faculty of the University of Chicago. Many of them are made by Roman Catholics too.

Professor Pelikan, who has studied at the Jesuit St. Louis University, declares that "no orthodox Christian tradition in the modern world demands less of an intellectual surrender than Rome!" He asserts what was doubted a century ago, that Roman Catholicism is here to stay and deplores the common ignorance of the world's most

"formidable" religious institution. It is also one which defends natural and moral law from positions largely abandoned by other denominations who formerly thought the Roman Church allowed too many deviations from ethical principles.

SALES TAX ?

The Future of Purchase Tax, by A. R. Prest. Hobart Paper No. 8. Barrie and Rockliff, for the Institute of Economic Affairs. 3s. 6d.

Purchase tax now brings in over £500 million a year. From a modest wartime austerity device to check consumption, it now accounts for more than one-tenth of all central government revenue. Dr. Prest argues that it is levied at too high rates, on too few commodities, and is subject to frequent change. It thus distorts consumer choice, disrupts efficient industries and restricts competition. He urges that it is time the whole system was revised and brought up-to-date. He suggests that the harmful effects of the present system would best be avoided by replacing the discriminatory purchase tax levied at the wholesale stage by a general, uniform sales tax levied at the retail end.

ROAD DESIGN

The Landscape of Roads. Sylvia Crowe. The Architectural Press. 18s. 6d.

Miss Sylvia Crowe draws on West German and United States experience without neglecting the good points in British road design and highway

engineering. She shows the problem to be one of landscape architecture as much as of engineering in the narrower sense; and urges our "motorised democracy" to think in the positive terms of making the Queen's highway a pleasurable part of their environment and not just of trying to prevent it from spoiling the countryside.

Miss Crowe warns us that, as in America, we are allowing traffic "to make more and more places unlivable, resulting in the use of still more traffic to escape from them." Ugly motorways only encourage pleasure drivers to use byways and if these are enlarged holiday makers are driven further and further afield in search of unspoilt country.

SOVIET SURVEY

Disarmament and Colonial Freedom, by N. S. Khrushchov. Lawrence & Wishart. 5s.

The Soviet Union Facts and Figures 1960. Soviet News. 7s. 6d.

Mr. Khrushchov's performance at the United Nations General Assembly in September—October 1960 was by any standards a remarkable demonstration of stamina. His numerous speeches, interviews and the texts of the Soviet delegations proposals to the Assembly are gathered together in one volume of 300 pages under the title 'Disarmament and Colonial freedom.'

The second of these books gives a wealth of information about the Soviet Union covering many aspects of its social, economic and political life. It even contains a brief refer-

ence to religious organisations and their place under the constitution of the U.S.S.R. There are numerous illustrations.

FOR TRAVELLERS

Hotels and Restaurants in Great Britain and Ireland. Thirty-third edition 1961. British Hotels and Restaurants Association. 3s. 6d. (by post 4s. 6d.).

This unique guide contains particulars of hotels, licensed and unlicensed, and licensed restaurants which are members of the Association in Great Britain, Ireland and certain Commonwealth countries. The main section is composed of illustrated information about each establishment, giving size, amenities, tariffs, etc. The guide also includes road and railway maps, mileage tables and main route diagrams showing distances between important centres. It will undoubtedly prove a boon to the traveller whether on business or pleasure.

Newcomers, The West Indians in London. Ruth Glass assisted by Harold Pollins. Allen & Unwin. 21s.

Miss Ruth Glass, authoress of various U.N.E.S.C.O. and other sociological surveys, has written an absorbing and thorough account of West Indian immigration. She brings out their origin, the sort of people they are, the kind of problem they face in settling and finding work in London, and the attitude of Londoners to their fellow subjects from the Caribbean. She discusses

developments from the 1958 disturbances to the spring of 1960 and deals with the "Keep Britain White" groups of "fascist" tendency.

SHORTER SCRUTINY

The Control of Industry, by Sir Dennis Robertson and S. Dennison Nisbet. Cambridge University Press. 10s. 6d.

Published in the series of Cambridge Economic Handbooks, this is a new edition of a book originally written in 1923. It has now been extensively revised and brought up-to-date. Following a brief historical introduction, the authors go on to survey the organisation of industry in relation to such factors as marketing, finance and the consumer. Various forms of workers' control are examined and a final chapter considers the merits and limitations of associating the worker in some way with the government of industry by methods of joint control.

The Beards' New Basic History of the United States, by Charles A. Beard, Mary R. Beard and William Beard. Macmillan. 30s.

This is a comprehensive history of the United States which is the co-operative work of the Beard family. It deals with the fundamental activities, ideas and interests of American Society from the colonial period to the present day. Originally published in 1944, a final chapter entitled 'The Atomic Age Unfolds' has been added to the original text.

This was a Man, by Ellallice Tate. Hodder & Stoughton. 16s.

"England," said General Gordon, "was made by her adventures." So, in large measure, was the Commonwealth. Crusader and colonist, Captain John Smith is one of the heroes whose memory links the English-speaking peoples on both sides of the Atlantic, and it is upon his life of extraordinary action and achievement that this most readable novel is based.

Rhodesia and Nyasaland. Edited by W. V. Brelsford. Cassell. 3 gns.

In 1960, Africa has earned the doubtful title of "Continent of the Year." The Monckton Report, the Lancaster House conferences in London and the turmoil in Central Africa have hit the public mind; and this remarkably thorough handbook should command a very wide range of readers. For the serious student of Central African affairs it is an indispensable work of reference.

A Dictionary of Life in Bible Times. W. Corswant. Hodder & Stoughton. 25s.

This beautifully produced and delightfully illustrated book covers in detail, as M. André Parrot points out in his foreword, the whole range of life in Bible lands and Bible times. It will prove valuable both to the scholar and student and an encouragement to the general reader or turn back, to the perusal of Scripture.

Progressive Victoria, Victoria Promotion Committee, Town Hall, Melbourne.

This attractive illustrated brochure graphically describes what Victoria offers the investor. In his foreword the Hon. H. E. Bolt, Premier of the State, well describes it as, "one of the most attractive areas in the Southern Hemisphere for new capital investment."

Ten Rillington Place, by Ludovic Kennedy. Gollancz. 21s.

Ably and in coherent detail the case is made for the innocence of Timothy Evans, wrongly hanged, in the author's estimation, for murders committed, among others, by John Christie. Discrepancies and bias are alleged in the Scott Henderson Report.

Though Mr. Kennedy's emotions are understandable, a more dispassionate approach would have made his case even more convincing. An index would have been helpful.

British Labour and Public Ownership, by Herbert E. Weiner. Stevens. 25s. (in U.K.).

With Germanic thoroughness officers and agencies of the U.S.A. tabulate and analyse the affairs of other lands. Here is an example—more readable than some, carefully and clearly written. Dr. Weiner is a veteran Foreign Service Officer who has specialized in labour matters and is on the American Delegation to the I.L.O.

The book is well timed. Differences over public ownership are part of the schism in the Labour Party, though at a time of "moratorium on new commitments for nationalization" (to quote the Introduction by Mr. Michael Ross, of the A.F.L.—C.I.O. organization) they are overshadowed by the bitter quarrel over nuclear defence.

La Vie Anglaise, by Tony Mayer. Translated by Christopher Sykes. Illustrated by Osbert Lancaster. Gollancz. 15s.

Not always quite accurate, but always perceptive and amusing, this brilliant little book by a member of the French Embassy, can tell us, the English, a good deal about themselves they may only half realize. We should take to heart that the R.S.P.C.A. is Royal and older than the N.S.P.C.C.—which is merely "National!"

Blue for a Girl, by D. D. Drummond. W. H. Allen & Co. 21s.

This is an attractive book dealing with the proud history of the W.R.N.S. during two world wars. It presents a clear picture of their present work and connection with the Royal Navy and can be recommended to girls thinking of the W.R.N.S. as a career.

Eton, by Christopher Hollis. Hollis and Carter; 30s.

Scholarly yet light-hearted, this is a most enjoyable book for those who know, and those who don't know, one of England's many unique foundations.

The West European Fisheries Community at a Glance

THE following table indicates the extent of the Deep Sea fleets of those countries which would comprise the West European Fisheries Community discussed by the Trawler Fishing Industries which fish the North Atlantic fishing grounds. The proposal was launched by the British Trawlers' Federation at a Conference in Hamburg.

Country	Population	Fishing vessels over 300 tons	Catch (Metric tons)	Total Exports £
Belgium	9,000,000	64	64,000	2,186,000
Denmark (and Faroes)	4,500,000	16	705,000	18,973,000
France	45,000,000	56	525,000	5,361,000
W. Germany	50,600,000	235	712,000	6,214,000
Iceland	165,000	48	580,000	21,337,000
Ireland	2,900,000	—	38,000	1,388,000
Holland	11,300,000	20	314,000	12,634,000
Norway	3,500,000	70	1,363,000	53,036,000
Portugal	9,000,000	112	455,000	13,813,000
Spain	30,100,000	39	837,000	4,263,000
Sweden	7,400,000	1	238,000	2,952,000
United Kingdom	51,200,000	312	1 005,000	6,735,000

From Fishing News.

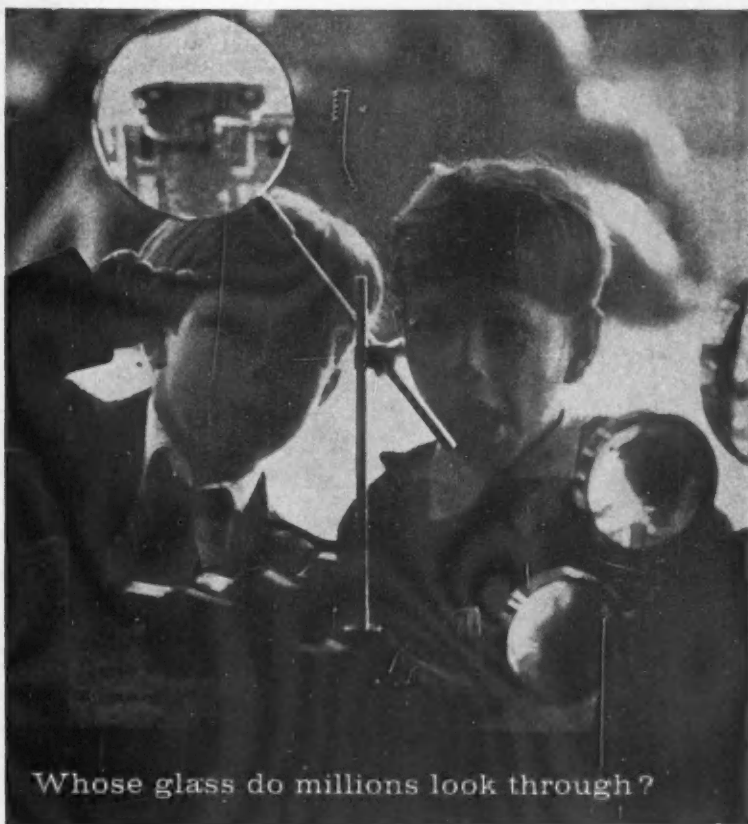
Economic Thinking

ECONOMIC thinking does not mean graphs and figures only. It has a deep root in the very pattern of society we live or we want to make. The gradual westernisation of Nepalese society will lead us to nowhere. The rich class may prefer to lead the western way of life by mere show only. In reality we cannot but be Nepalese always.

Why then such absurdities? The handful of foreignised Nepalese will give the right answer to this question.

We should not be lost in the Jungles of western Economic theories nor can we blindly follow the dictate of the advanced thinkers since they cannot give benefits to Nepalese in forming truly Nepalese Economic life.

From Nepal Economist.



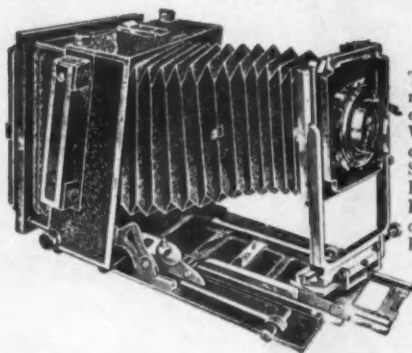
John and Robert Stonehouse have their eyes fixed on a magnifying glass—just the thing for their stamp collection . . . and just one of the millions of pieces of optical glass made in the Chance/Pilkington Optical Works at St. Asaph in North Wales. That's where the glass is made for your spectacle lenses, and for specialised lenses of all kinds . . . snapshot cameras and television cameras . . . microscopes and binoculars . . . glass for all these and many other purposes goes from St. Asaph all round the world. As it does for another specialist use—to make windows through which nuclear scientists can watch their experiments safely protected against radiation. So St. Asaph typifies the whole Pilkington Group—supplying today's needs and serving tomorrow's developments in a way which demands a big company, in every sense.

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